

**GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:343
ANSWERED ON:19.02.2009
TARGET FIXED CPSUS
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Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) whether the Government has fixed production target in some of the Central Public Sector Undertakings and Heavy Industries during the last three years;
- (b) if so, the extent to which this target was achieved during the said period,CPSU-wise;
- (c) if not, the reasons for short fall in achieving the envisaged target; and
- (d) the steps being taken by the Government to achieve production target of such CPSUs and Heavy Industries?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI RAGHAUNATH JHA)

(a) Memorandum of Understanding (MoU) signed annually between Central Public Sector Enterprises (CPSEs) and the concerned administrative Ministries/ Departments / Holding Companies, inter-alia, indicate targets for different parameters like Gross Sales, Gross Margin, Production, etc,

(b) At the end of the financial year,the performance of the MoU signing CPSEs are evaluated on the basis of the actual achievement against the corresponding MoU targets.The MOU Rating of the CPSEs for the last three years is given below:

Year Ratings

Excellent Very-Good Good Fair

2005-06	49	32	15	06
2006-07	46	37	13	06
2007-08	55	34	15	08

(c) Reasons for shortfall in achieving the envisaged targets,inter alia, may include market conditions, sub optimal productivity, delay in availability of critical raw materials, plant breakdown, etc.

(d) The performance of the CPSEs is reviewed and monitored by the concerned administrative Ministries/ Departments, In order to improve the performance of CPSEs, steps are taken by the concerned administrative Ministries / Departments and CPSEs.